

MINUTES OF THE REGULAR MEETING

OF THE

COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

October 15, 2002

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, October 15 2002 at 8:30 a.m. at the Marcy Newberry Center in Rockwell Gardens located at 2540 West Jackson, in Chicago, Illinois.

The meeting was then called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present:	Sharon Gist Gilliam
	Lori Healey
	Hallie Amey
	Mamie Bone
	Leticia Peralta Davis
	Earnest Gates
	Dr. Mildred Harris
	Michael Ivers
	Sandra Young

Absent:	None
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Also present were Terry Peterson, Chief Executive Officer; Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Terry Peterson, Chief Executive Officer then presented his monthly report. Per Mr. Peterson, today's agenda includes the recommendation for approval of the CHA's Plan for Transformation – Year 4. By the end of next year, approximately 14,000 of the planned units will have been completed. The majority of these will be senior and scattered sites rehabs. Also, by the end of Year 4, CHA will have broken ground at seven of the nine major family developments and start to replace them with viable mixed-income communities. Mr. Peterson then provided the Commissioners with statistics on the Service Connectors Program and the projected goals for Year 4. Mr. Peterson concluded his presentation by informing the Commissioners that during Year 4, the number of families returning to CHA will exceed those moving out.

The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing portion of the meeting, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session and Chairperson Gilliam thereupon introduced a Motion to approve the minutes for the Annual Meeting of August 20, 2002 and Regular Meeting of September 17, 2002. The minutes for both meetings were unanimously approved.

Chairperson Gilliam thereupon introduced the Resolutions discussed in Executive Session.

A Motion to approve the Resolution for Item No. 1 discussed in Executive Session was then presented by Commissioner Davis.

(Executive Session Item No. 1)

RESOLUTION NO. 2002-CHA-136

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated October 2, 2002 requesting that the Board of Commissioners approve the Personnel Action Report for September 2002.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions for September 2002.

The Motion to adopt the Resolution for Executive Session Item 1 was seconded by Commissioner Healey and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Hallie Amey
	Mamie Bone
	Leticia Peralta Davis
	Earnest Gates
	Dr. Mildred Harris
	Lori Healey
	Michael Ivers
	Sandra Young

Nays:	None
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The Chairperson thereupon declared said Motion carried and said Resolution adopted.

General Item 1

On January 6, 2000, the Board of Commissioners approved the agency's Plan For Transformation (Plan), calling for sweeping changes in the administration and operation of the CHA. The Plan was approved by HUD and incorporated into a Moving To Work (MTW) Agreement, executed on February 6, 2000. The agreement was subsequently amended in February 2001, requiring CHA to produce and submit an Annual MTW Plan to HUD no less than 60 days prior to the start of CHA's fiscal year. The Plan – Year 4 marks a continuation of the original Plan and does not contain any significant deviations. Rather, it details the steps necessary to achieve the original Plan's stated goals. It also includes a list of additional amendments CHA is requesting in order to continue to implement the Plan. The resolution for General Item 1 approves the MTW Plan-Year 4 and grants authorization to submit said plan to HUD.

Commissioner Ivers presented a Motion for the approval of the Resolution for General Item 1:

RESOLUTION NO. 2002-CHA-137

WHEREAS, the Board of Commissioners have reviewed the Board Letter dated September 16, 2002 requesting approval of the CHA MTW Plan-Year 4, Moving to Work Annual Plan FY2003" and that the Board of Commissioners Chair sign the "PHA Certifications of Compliance with MTW Plan Requirements and Related Regulations", attached hereto

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the attached CHA MTW Plan-Year 4 and the "PHA Certifications of Compliance with MTW Plan Requirements and Related Regulations", and grant authorization to submit it to the Department of Housing and Urban Development.

The Motion to adopt resolution for General Item 1 was seconded by Commissioner Amey and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Hallie Amey
	Mamie Bone
	Leticia Peralta Davis
	Earnest Gates
	Dr. Mildred Harris
	Lori Healey
	Michael Ivers
	Sandra Young

Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolution adopted.

Commissioner Sandra Young, Chairperson of the Tenant Services Committee then presented her monthly report. Per Commissioner Young, the Tenant Services Committee held its regular meeting on Wednesday, October 9, 2002 at 1:00 p.m. at the 626 Corporate Office. No presentations were scheduled to come before the Committee.

Commissioner Young then introduced an Omnibus Motion for the adoption of the resolutions for Items A1 and A2 discussed, voted and recommended for Board approval by the Tenant Services Committee.

(Item A1)

In January 1999, the U.S. Department of Labor (DOL) awarded \$5million to the CHA to implement programs to assist residents in achieving self-sufficiency. The original grant period was from January 1999 through December 2001 and was extended by a previous modification to December 2002. Further time and additional resources are needed to meet the placement and retention goals required under the terms of the grant agreement. The resolution for Item A2 approves modification of the sub-grant agreement to extend the term through June 30, 2003 for an additional not-to-exceed amount of \$534,927.

RESOLUTION NO. 2002 CHA-138

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed Memorandum dated September 25, 2002 entitled “Authorization to modify sub-grant agreement with the Mayor’s Office Of Workforce Development under the U.S. Department Of Labor Welfare To Work Competitive Grant”.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, The Board of Commissioners hereby authorizes modification of the sub-grant agreement to the *Chicago Works Project* partner, Mayor’s Office of Workforce Development (“MOWD”), under the U.S. Department of Labor Welfare to Work Competitive Grant to extend the term of the agreement to June 30, 2003 for an additional amount of \$534,927.

(Item A2)

The Authority is currently negotiating a new contract to administer the CHA’s Section 8 program with Quadel Consulting Corporation. Quadel was the sole respondent to the 2001 Request for Proposal and is the CHA’s current administrator of the Section 8 programs. Negotiations commenced in February 2002 and are ongoing. In August 2002, the Board approved Modification No. 8 for an additional \$3,165,564 for a two month contract extension and an increase in fees for further extensions. The resolution for Item A2 authorizes Modification No. 9 for the period of October 1 through November 30 for an amount not to-exceed \$3,000,000.

RESOLUTION NO. 2002-CHA-139

WHEREAS, the Board of Commissioners has reviewed Board Letter dated October 9, 2002 entitled "Authorization to Amend Contract No. 8565 between Quadel Consulting Corporation and the Chicago Housing Authority for the Administration of the Section 8 Programs";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Modification No. 9 of Contract No. 8565 between Quadel Consulting Corporation and the Chicago Housing Authority for the expenditure of a not to exceed amount of \$3,000,000.00, which shall be funded by previous authorized amounts remaining from prior contract modifications and additional funding in the amount of \$511,391, to Quadel Consulting Corporation for the administration of the Section 8 programs for the period of October 1, 2002 through November 30, 2002, subject to approval by the United States Department of Housing and Urban Development.

The Omnibus Motion to adopt resolutions for Items A1 and A2 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Hallie Amey
	Mamie Bone
	Leticia Peralta Davis
	Earnest Gates
	Dr. Mildred Harris
	Lori Healey
	Michael Ivers
	Sandra Young

Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Tenant Services Committee report was also accepted in total.

Commissioner Davis, Chairperson of the Finance and Audit Committee, then presented the following report. Per Commissioner Davis, a Joint Operations & Facilities and Finance & Audit Committee meeting was held on Wednesday, October 9, 2002 at 1:30 p.m. at the 626 W. Jackson Office. Todd Gomez, Chief Financial Officer, and his staff presented the Committee with the Treasury and Cash Flow Report as of September 30, 2002 and a very informative and comprehensive report on the FY2003 Budget, which will come before the Board for approval at the November meeting. Jan Laskey, Managing Director of the MAP Department, presented the Committees with a comprehensive report on the Plan For Transformation – Year 4.

Commissioner Davis then introduced an Omnibus Motion for the approval and adoption of Resolutions for Items B1 through B13 discussed, voted and recommended for approval by the joint Committees:

(Item B1)

The resolution for Item B1 approves amendment of the revised 2002 Budget. The impact of this budget revision resulted in the following changes: total revenue and associated expenditures increased by \$26,357,698 in the General Fund due to the allocation of capital funds to the various CHA Senior properties; total revenue and associated expenditures decreased by \$53,297 in PHDEP due to reduction in planned expenditures and total revenue and associated expenditures decreased by \$28,593,107 in HOPE VI Fund due to the realignment of the budget based on projected spending in F2002 at various CHA properties.

RESOLUTION NO. 2002-CHA-140

WHEREAS, the Board of Commissioners has reviewed the Board letter dated September 12, 2002, entitled “Approval of the Revised 2002 Comprehensive Budget”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners, hereby approves the attached budget amendments, “Approval of the Revised 2002 Comprehensive Budget”, and finds with respect to said Budget:

1. that the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. that the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Moving To Work Demonstration Agreement of the Chicago Housing Authority with the U.S. Department of Housing and Urban Development.

THAT, the Chief Executive Officer and Chief Financial Officer are authorized to execute and forward to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

Item B2

Pursuant to the Authority’s Plan For Transformation, the Authority has undertaken to transform public housing in the City of Chicago. A key component of the Plan is the development of mixed-income communities. Westhaven Park Apartments Phase I (Henry Horner Phase IIa1) will consist of 155 units (87 public, 31 affordable and 37 market) located on a portion of each of the two CHA-owned parcels that comprise to total Horner Phase II Site. This will be the first new mixed income community developed entirely on CHA-owned land. In order to facilitate the funding of the development, the Authority intends to leverage the anticipated revenue stream through the issuance and sale of the Bonds and the application of the proceeds thereof to fund property improvements. The Bonds will be issued pursuant to two Indentures of Trust and the proceeds thereof will be loaned to West Maypole, L.P., the borrower, pursuant to two loan Agreements. Bank of America will provide construction financing by purchasing the Series 2002A1 and 2002A2 Bonds and by providing a letter of credit to Fannie Mae in connection with the Series 2002B Bonds during the construction and lease up phase. The Authority will provide permanent financing through its loan of HOPE VI funds sufficient to retire the Series 2002A1 Bonds. Fannie Mae will provide permanent financing through its purchase of the Series 2002B Bonds. The Bonds are not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof, other than the Authority. The Bonds are special limited obligations of the Authority payable solely from the revenues of the Project and the other sources specified in the Indentures. The Resolution for Item B2 approves issuance of Multi-Family Housing Revenue Bonds Series 2002A1 and A2 and Series 2002B, authorizes to loan HOPE VI moneys to West Maypole, L.P., to Ground Lease Project Site to West Maypole, to execute and deliver documents in connection therewith and perform the activities contemplated thereby.

RESOLUTION NO. 2002-CHA-141

RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$20,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTI-FAMILY HOUSING REVENUE BONDS (WESTHAVEN PARK APARTMENTS— PHASE I) OF THE CHICAGO HOUSING AUTHORITY IN THREE SERIES AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE LOAN OF THE PROCEEDS OF THE BONDS TO WEST MAYPOLE, L.P. TO BE USED TO PAY COSTS OF CONSTRUCTION OF THE WESTHAVEN PARK APARTMENTS PROJECT—PHASE I (ALSO KNOWN AS THE HENRY HORNER HOMES PROJECT—PHASE II A1); AUTHORIZING THE SALE OF THE SERIES 2002A1 BOND AND SERIES 2002A2 BOND TO BANK OF AMERICA, N.A. AND THE SALE OF THE SERIES 2002B BONDS TO FANNIE MAE; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL BOND DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF THE BONDS; AUTHORIZING A GROUND LEASE OF THE SITE OF THE PROJECT BY THE AUTHORITY TO WEST MAYPOLE, L.P.; AUTHORIZING THE LOAN BY THE AUTHORITY OF HOPE VI FUNDS TO WEST MAYPOLE, L.P. TO PROVIDE PERMANENT FINANCING

FOR CERTAIN COSTS OF THE PROJECT AND TO RETIRE THE SERIES 2002A1 BONDS, AND THE EXECUTION AND DELIVERY OF ALL AGREEMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, the Chicago Housing Authority, a municipal corporation and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “*Authority*”), including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et seq.*, and all laws amendatory and supplemental thereto, including in particular the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* (the “*Act*”), is authorized by the laws of the State of Illinois (the “*State*”), including without limitation the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance the cost of the development and construction of multifamily rental housing located in the jurisdiction of the Authority; and

WHEREAS, West Maypole, L.P., an Illinois limited partnership (the “*Borrower*”) proposes to finance a portion of the costs of the construction of Phase I of the Westhaven Park Apartments Project (also known as Phase IIa1 of the Henry Horner Homes HOPE VI Revitalization) consisting of 155 apartment units in 15 buildings in Chicago, Illinois (the “*Project*”) through the issuance by the Authority of its Multi-Family Housing Revenue Bond, Series 2002A1 (Westhaven Park Apartments—Phase I) (the “*Series 2002A1 Bond*”), its Multi-Family Housing Revenue Bond, Series 2002A2 (Westhaven Park Apartments—Phase I) (the “*Series 2002A2 Bond*”) and its Multi-Family Housing Revenue Bonds, Series 2002B (Westhaven Park Apartments—Phase I) (the “*Series 2002B Bonds*” and, together with the Series 2002A1 Bond and the Series 2002A2 Bond, the “*Bonds*”); and

WHEREAS, the general partner of the Borrower is West Maypole Partners, LLC, an Illinois limited liability company; and

WHEREAS, the Commissioners of the Authority, on June 18, 2002 and July 16, 2002 adopted resolutions authorizing the submission of a mixed-finance proposal for the Project to the United States Department of Housing and Urban Development (“*HUD*”) and a request to HUD to ground lease the site of the Project to the Borrower; and

WHEREAS, a determination has been made by the Authority that the Project constitutes “multifamily rental housing” within the meaning of the Act and that the financing thereof will meet the public purposes of the Act; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority is now prepared to proceed with the financing of a portion of the costs of the Project through the issuance and sale of the Series 2002A1 Bond and Series 2002A2 Bond (collectively, the “*Series 2002A Bonds*”) pursuant to an Indenture of Trust (the “*Series 2002A Indenture*”) between the Authority and LaSalle Bank National Association, as Trustee (the “*Series 2002A Trustee*”) and through the issuance and sale of the Series 2002B Bonds pursuant to a Trust Indenture (the “*Series 2002B Indenture*”) between the Authority and LaSalle Bank National Association, as trustee (the “*Series 2002B Trustee*” and, together with the Series 2002A Trustee, the “*Trustee*”) (the Series 2002A Indenture and the Series 2002B Indenture being referred to collectively herein as the “*Indentures*”); and

WHEREAS, the proceeds of the Series 2002A Bonds and the Series 2002B Bonds will be loaned by the Authority to the Borrower pursuant to a Loan Agreement (the “*Series 2002A Loan Agreement*”) between the Authority and the Borrower and a Financing Agreement (the “*Series 2002B Loan Agreement*”) between the Authority and the Borrower, respectively (the Series 2002A Loan Agreement and the Series 2002B Loan Agreement being referred to collectively herein as the “*Loan Agreements*”) and the obligations of the Borrower to pay debt service under the Loan Agreements will be evidenced by Notes (individually, the “*Series 2002A Note*” and the “*Series 2002B Note*” and, collectively, the “*Notes*”) from the Borrower to the Authority which will be assigned by the Authority to the respective Trustees; and

WHEREAS, certain income and other rental restrictions required by Section 142 of the Internal Revenue Code of 1986, as amended (the “*Code*”) will be specified in one or more Regulatory Agreements and Declarations of Restrictive Covenants (the “*Regulatory Agreements*”) among the Authority, the Borrower and the Trustee; and

WHEREAS, the Project consists of two noncontiguous parcels referred to herein as the “East Parcel” and the “West Parcel” and a portion of the proceeds of the Bonds will be loaned to the Borrower to finance costs of the East Parcel and a portion of the proceeds of the Bonds will be loaned to the Borrower to finance costs of the West Parcel; and

WHEREAS, certain arbitrage requirements of Section 148 and related provisions of the Code will be specified in one or more Tax Exemption Certificate and Agreements (the “*Tax Agreements*”) among the Authority, the Borrower and the Trustee; and

WHEREAS, the Series 2002A Bonds will be sold by private placement to Bank of America, N.A. (the “*Bank*”) pursuant to a Bond Purchase Agreement (the “*Series 2002A Bond Purchase Agreement*”) among the Authority, the Borrower and the Bank; and

WHEREAS, the Series 2002B Bonds will be sold by private placement to Federal National Mortgage Association (“*Fannie Mae*”) pursuant to a Bond Purchase Agreement (the “*Series 2002B Bond Purchase Agreement*” and, together with the Series 2002A Bond Purchase Agreement, the “*Bond Purchase Agreements*”) among Fannie Mae, the Authority and the Borrower; and

WHEREAS, the Borrower’s obligations under the Series 2002B Note will be secured by a Multifamily Mortgage, Assignment of Rents and Security Agreement (the “*Series 2002B Mortgage*”) from the Borrower to the Authority and the rights of the Authority to the Series 2002B Note and Series 2002B Mortgage will be assigned to the Series 2002B Trustee and Fannie Mae pursuant to an Assignment of Mortgage Loan (the “*Assignment*”) from the Authority; and

WHEREAS, in connection with the Series 2002B Bonds, the Authority will enter into an Assignment of Management Agreement (the “*Management Agreement Assignment*”) among the Borrower, the Authority and the manager of the Project, and a Replacement Reserve and Security Agreement (the “*Replacement Reserve Agreement*”) between the Borrower and the Authority (which agreements may also be assigned by the Authority to Fannie Mae and/or the Series 2002B Trustee); and

WHEREAS, from and after the Conversion Date (as defined in the Series 2002B Indenture) Enterprise Mortgage Investments, Inc. will act as servicer of the Series 2002B Note on behalf of Fannie Mae; and

WHEREAS, the Bank will issue a letter of credit for the benefit of Fannie Mae in connection with the Series 2002B Bonds during the construction and lease-up phase of the Project; and

WHEREAS, the Authority will lease the site of the Project to the Borrower pursuant to a Ground Lease (the “*Ground Lease*”) between the Authority and the Borrower; and

WHEREAS, the Series 2002A1 Bond will be secured by and payable from certain HOPE VI moneys (“*HOPE VI Proceeds*”) received by the Authority and deposited pursuant to a HOPE VI Collateral Escrow Agreement (the “*Escrow Agreement*”) among the Authority, Daniel E. Levin and the Habitat Company, jointly, as court-appointed receiver for the Authority for the development of new non-elderly housing (the “*Receiver*”), the Borrower and an Escrow Agent; and

WHEREAS, such HOPE VI Proceeds, upon withdrawal under the Escrow Agreement, will constitute a loan from the Authority (of approximately \$13,500,000) to the Borrower pursuant to a Loan Agreement (the “*HOPE VI Loan Agreement*”) with the Borrower; and

WHEREAS, the Borrower will be required to operate 87 housing units within the Project for the use and occupancy of public housing eligible individuals and, in connection therewith, the Authority will enter into a Regulatory and Operating Agreement (the “*HOPE VI Regulatory Agreement*”) with the Borrower and a Declaration of Restrictive Covenants (the “*HOPE VI Declaration*”) with the Borrower and with HUD, and the Borrower will execute and deliver to the Authority a Mortgage, Note, Assignment of Rents and Leases, UCC Financing Statements, Environmental Agreement and related agreements and instruments (the “*HOPE VI Borrower Agreements*”); and

WHEREAS, other sources of funding for costs of the Project will be provided by (a) the City of Chicago (the “*City*”) pursuant to an \$8,500,000 subordinate loan by the City to the Borrower,

(b) the Illinois Housing Development Authority (“IHDA”) pursuant to a \$750,000 subordinate loan by IHDA to the Borrower, and (c) equity contributions by the Borrower; and

WHEREAS, the proceeds of the Bonds and the other funding sources will be disbursed pursuant to a Construction Loan Escrow and Disbursement Agreement (the “*Disbursement Agreement*”) among the Authority, the Receiver, the Trustee, the Bank, Fannie Mae, the Borrower, the City, IHDA, the Project contractor and a disbursing agent; and

WHEREAS, notice of a public hearing with respect to the proposed issuance of the Bonds was published in the *Chicago Sun Times*, *La Raza* and the *Chicago Defender*; and

WHEREAS, on October 11, 2002, said public hearing was conducted on behalf of the Authority pursuant to which an opportunity was provided for residents and other interested persons to present arguments for and against the Project and the proposed issuance of the Bonds; and

WHEREAS, all or a portion of the expenditures relating to the Project (the “*Expenditures*”) (i) have been paid within the sixty days prior to the passage of this Resolution or (ii) will be paid on or after the passage of this Resolution; and

WHEREAS, the Authority reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Authority to rely) to reimburse the Borrower for the Expenditures with proceeds of the Bonds; and

WHEREAS, the City Council of the City has approved the transfer to the Authority of up to \$20,000,000 of the City’s available unused volume cap for calendar year 2002 pursuant to Section 146 of the Code for use by the Authority in connection with the issuance of the Bonds; and

WHEREAS, the Authority, the Receiver and HUD will enter into a Mixed-Finance Amendment to the Annual Contributions Contract with HUD; and

WHEREAS, the Indentures, the Loan Agreements, the Bonds, the Notes, the Regulatory Agreements, the Bond Purchase Agreements, the Tax Agreements, the Assignment, the Escrow Agreement, the Ground Lease, the Series 2002B Mortgage, the Management Agreement Assignment, the Replacement Reserve Agreement, the HOPE VI Loan Agreement, the HOPE VI Regulatory Agreement, the Mixed-Finance Amendment to the Annual Contributions Contract, the HOPE VI Declaration, the HOPE VI Borrower Agreements and the Disbursement Agreement are referred to collectively herein as the “*Authority Agreements*”; and

WHEREAS, the Authority has caused to be prepared and presented to this meeting each of the Authority Agreements;

NOW THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

Section 1. The Authority is authorized to enter into the Authority Agreements with the other party or parties thereto in substantially the same forms now before the Authority. The forms, terms and provisions of the Authority Agreements be, and they hereby are, in all respects approved. The Chairman, the Chief Executive Officer or the Chief Financial Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and, where necessary, the Executive Advisor to the Board, the Chief Executive Officer, the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Authority Agreements in the name, for and on behalf of the Authority, and thereupon to cause the Authority Agreements to be executed, acknowledged and delivered to the other party or parties thereto, in substantially the forms now before the Authority or with such changes therein as the individual executing the Authority Agreements on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the forms of Authority Agreements now before the Authority. When the Authority Agreements are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, they shall be binding on the Authority. From and after the execution and delivery of the Authority Agreements, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Authority Agreements as executed. The Authority Agreements shall constitute, and hereby are made, a part of this Resolution, and copies of the

Authority Agreements shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 2. The Bonds shall be issued in fully registered form, in an aggregate principal amount not to exceed \$20,000,000, in authorized denominations as provided in the Indentures. The Bonds shall bear interest at such rate or rates as shall be set forth in the Indentures, in no event to exceed the greater of 9% per annum or 125% of the rate for the most recent date shown in the 20 G.O. Bonds Index of average municipal bond yields as published in the most recent edition of the Bond Buyer (or any successor publication or index). The Bonds shall mature on such date or dates as shall be set forth in the Indentures, but in no event later than 40 years following the date of their initial issuance and delivery to the initial purchasers thereof. The Bonds shall be subject to redemption prior to maturity as provided in the Indentures.

Section 3. The Bonds and the interest thereon will be special, limited obligations of the Authority, payable solely from the payments to be made by the Borrower under the respective Loan Agreements or from the other sources specified or referred to in the respective Indentures, which shall be specifically assigned and pledged to such purposes in the manner and to the extent provided therein. The Bonds and all other obligations of the Authority in connection therewith shall not be a debt of the City or any other city, village, incorporated town or county, the State of Illinois or any political subdivision thereof and neither the City, nor any other city, village, incorporated town or county, nor the State of Illinois or any political subdivision thereof shall be liable thereon, nor in any event shall the Bonds or such obligations be payable out of any funds or properties other than those pledged under the Indentures or those other agreements specifically securing the Bonds. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 4. The forms of the Bonds set forth in the Indentures, subject to appropriate insertions and revisions in order to comply with the provisions of the Indentures (as executed and delivered) be, and the same hereby are approved. The Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman (or such other officer authorized by law to execute the Bonds on behalf of the Authority) and attested with the manual or facsimile signature of its Executive Advisor to the Board, Secretary or Assistant Secretary (or such other officer authorized by law to execute the Bonds on behalf of the Authority) and the seal of the Authority shall be impressed or imprinted thereon. The officers of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication. When the Bonds shall be executed on behalf of the Authority in the manner contemplated by the Indentures and this Resolution, they shall represent the approved forms of Bonds of the Authority.

Section 5. The sale of the Series 2002A Bonds to the Bank at a purchase price of not less than 97% (exclusive of original issue discount) of the aggregate principal amount thereof plus accrued interest, if any, to the date of delivery, is hereby approved. The sale of the Series 2002B Bonds to Fannie Mae at a purchase price not less than 97% (exclusive of original issue discount) of the principal amount thereof, plus accrued interest, if any, to the date of delivery, is hereby approved. The Bonds may be sold with original issue premium or discount.

Section 6. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority (including, without limitation, environmental remediation agreements, investment agreements, book-entry registration agreements, and intercreditor agreements) and to take such other actions as may be required or desirable in connection with the execution, delivery and performance of the Authority Agreements, the financing of costs of the Project and the issuance, sale and delivery of the Bonds.

Section 7. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 8. The publication on behalf of the Authority of the notice of public hearing and the conduct of such public hearing by and on behalf of the Authority with respect to the issuance of the Bonds is hereby ratified, approved and confirmed.

Section 9. The Authority authorizes any public hearings pursuant to Section 147(f) of the Code for future issuances by the Authority of multifamily housing revenue bonds to be conducted either at meetings of the Board of Commissioners or any committee of Commissioners of the Authority or separately, on behalf of the Authority, by any designee of the Chairman of the Authority or, in the absence of such designation, by the Authority's Managing Director-Development, or Director-Development Management, its Chief Financial Officer, or its Deputy Chief Financial Officer which are hereby designated hearing officers of the Authority for such purpose. The officers of the Authority are authorized to seek the approval of the Bonds by an "applicable elected representative" of the City pursuant to Section 147(f) of the Code.

Section 10. The Authority hereby allocates to the Bonds the "volume cap" reallocated by the City to the Authority in an amount equal to the aggregate principal amount of the Bonds actually to be issued.

Section 11. The Authority reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Authority to rely) to reimburse the Expenditures with proceeds of the Bonds.

Section 12. The Bonds, or any one or more series thereof, may be initially issued in book-entry form and registered in the name of The Depository Trust Company, New York, New York ("*DTC*"), or its nominee, as securities depository.

Section 13. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 14. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 15. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

(Item B3 - THIS NUMBER NOT USED)

(Item B4 – THIS NUMBER NOT USED)

(Item B5)

CHA is entering into an agreement with West Maypole, L.P., a limited partnership controlled by Brinshore Development and The Michaels Development Company for the redevelopment of Horner Homes Phase IIa1. As part of the Horner redevelopment, CHA is responsible for all environmental remediation and legal costs associated with any potential liabilities from preexisting conditions. In order to provide the CHA with protection from any unanticipated environmental liability, CHA engaged its broker of record, Near North Insurance Brokerage, Inc., to solicit competitive bids for environmental insurance. In response to this solicitation, 3 bids and 3 declinations were received. After review of the responses, CHA's Risk Management Department and the Office of Development Management selected XL Capital Group based upon a price and coverage analysis for a ten year environmental insurance Policy. The resolution for Item B5 approves a ten year environmental insurance policy for Horner Phase IIa1 to be written through XL Capital Group.

RESOLUTION NO. 2002-CHA -142

WHEREAS, The Board of Commissioners has reviewed the memorandum dated September 19, 2002 entitled "Authorization to Award Environmental Insurance Coverage for Henry Horner Homes to XL Capital Group" and concurs with the recommendation contained therein.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorize the Chief Executive Officer or his designee to procure a ten- year environmental insurance policy for Henry Horner Homes Phase IIa1 through its broker of record, Near North Insurance Brokerage, Inc., to be written

through XL Capital Group for a one-time premium not-to-exceed \$278,332, subject to HUD approval, if required.

(Item B6)

In support of the Horner Phase IIa1 redevelopment project (also known as Westhaven Park Apartments-Phase I), the resolution for Item B6 approves award of contract to Walsh Construction Company for environmental remediation activities. The Brinshore-Michaels development team was the successful respondent to the CHA’s solicitation for the redevelopment of Horner. As part of the Revitalization Plan approved by HUD, the entire development team was outlined along with the roles that each team member would play. Walsh Construction was named as the general contractor and HUD has indicated that they accept the competitive procurement process for the remediation activities. The benefits on the selection of Walsh are namely the continuity of schedule, continuity of activity and economy of scale.

RESOLUTION NO. 2002-CHA-143

WHEREAS, the Board of Commissioners has reviewed Board Letter dated September 30, 2002 entitled “Authorization to enter into a contract with Walsh Construction Company of Illinois for environmental remediation activities in connection with the Brinshore Michael Development Team as a result of the HUD approved Revitalization Plan at the Henry Horner Homes Redevelopment Site”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes, the Chief Executive Officer or his designee, subject to approval of MBE/WBE and Section 3 compliance by the Contracting Officer and HUD approval, to enter into a contract with Walsh Construction Company of Illinois, for a total amount not-to-exceed \$2,300,000 (for estimated remediation cost of Phase IIa1) plus an additional amount for unforeseen conditions to the extent required by the Development Agreement (only if required for unforeseen conditions) for environmental remediation activities in support of the Henry Horner Homes Phase IIa1 (also known as Westhaven Park Apartments-Phase I) redevelopment project. CHA anticipates that should such unforeseen conditions arise, they will be covered by insurance, with the exception of up to a \$600,000.00 deductible, which will be covered by CHA’s insurance reserves. The term of the Walsh contract shall be the earlier of, receipt of a “No Further Remediation” (NFR) letter from the Illinois Environmental Protection Agency with regard to Henry Horner Homes Phase IIa1.

(Item B7)

The East Lake Management and Development Corporation was selected as the result of an RFQ issued by the CHA and the court-appointed Gautreaux Receiver and The Habitat Company for the redevelopment of the Rockwell Gardens site into a mixed-income community. The Development Agreement calls for the development of a mixed-income community of approximately 780 units, including 520 rental units and 260 for-sale units. Of the rental, 260 are planned as public housing units, 200 as affordable units and 60 as market-rate units. Under the Development agreement, the Developer will be responsible for certain planning and predevelopment activities, assembling financing, construction, and managing the development process. The CHA and Receiver are committing an amount not to exceed \$31,970,644 in funding, consisting of 2001 HOPE VI Revitalization funds. The resolution for Item B7 approves the Redevelopment Agreement with The Habitat Company, the Receiver and East Lake Management and Development Corporation for the mixed finance development of Rockwell Gardens, subject to HUD approval.

RESOLUTION NO. 2002-CHA-144

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 13, 2002, requesting authorization to enter into a Redevelopment Agreement with East Lake Management and Development Corporation for the mixed-finance development of Rockwell Gardens.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into, on behalf of the Authority, a Redevelopment Agreement with Daniel E. Levin and The Habitat Company, the Gautreaux Receiver (“Receiver”) and East Lake Management and Development Corporation (“Developer”) for the mixed finance development of Rockwell Gardens in a contract amount not to exceed

\$31,970,644, subject to HUD approval. The not-to-exceed contract amount is exclusive of any environmental remediation costs that may be required for the redevelopment of site.

(Item B8)

The City of Chicago is working with various developers on future developments in the metropolitan area. The resolution for Item B8 approves an Intergovernmental Agreement for land transfers with the City in exchange for CHA-owned parcels. The CHA will transfer 11 parcels needed for various projects to the City. In exchange, the City will transfer 29 City-owned parcels to the CHA to implement the CHA's various redevelopment efforts. The CHA parcels to be conveyed to the CHA will be redeveloped in association with the Taylor off-site and Washington Park redevelopments. The City parcels exceed the square footage of the CHA owned parcels by approximately 900 square feet. An environmental review will be completed for the City's land prior to conveyance. If conditions exist that require remediation costs to be incurred, Board approval will be sought.

RESOLUTION NO. 2002-CHA-145

WHEREAS, the Board of Commissioners has reviewed Board Letter dated October 15, 2002 entitled "Approval of Intergovernmental Agreement for Land Transfers with the City of Chicago for City-Owned Parcels in Various Communities in Exchange for CHA-Owned Parcels in Various Communities and Authorization for Submission of Disposition and Acquisition Applications to the U.S. Department of Housing and Urban Development" and concurs with the recommendations therein;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to (1) execute an Intergovernmental Agreement with the City of Chicago to convey 218,076 sq. ft. of CHA-owned parcels in various communities to the City of Chicago in exchange for the acquisition of 218,948 sq. ft. of City-owned parcels in various communities; (2) submit the necessary disposition and acquisition applications to the U. S. Department of Housing and Urban Development (HUD) to implement the land transfer agreement; and (3) execute any other necessary documents for the land transfer.

(Item B9)

The resolution for Item B9 approves Contract Modifications with K.R. Miller in an aggregate amount of \$229,951.56 for general renovations at fifteen senior housing locations. The reasons for the change orders necessitating this contract modification are as follows: discovered or changed conditions which could not have been reasonably determined at the time of contract document preparation, owners directed changes and design corrections.

RESOLUTION NO. 2002-CHA-146

WHEREAS, the Board of Commissioners has reviewed Board Letter dated September 25, 2002, entitled, "Authorization to execute Modification No. 5 G-03, G-04 and G-05 to Contract No. 9684 with K.R. Miller Contractors, Inc. for general renovation of fifteen (15) Senior Housing locations";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute the following Contract Modifications to Contract No. 9684 with K.R. Miller Contractors, Inc. for an aggregate amount of \$229,951.56 for the general renovations at fifteen (15) Senior Housing locations: (a) No. G-03 for \$57,237.84; (b) No. G-04 for \$49,342.72; and (c) No. G-05 for \$123,371.00, which is subject to HUD approval. The new contract amount, including these three contract modifications, will be \$28,515,776.53. The time for completion of work under the contract will remain unchanged.

(Item B10)

The Authority issued an Invitation For Bid (IFB) in July 2002, soliciting qualified firms to provide emergency repairs for all pump systems, which are part of the heating plants at various CHA developments. Of the five bids received, they were all deemed responsible. Due to the possibility that multiple emergencies could arise at the same time and exceed the manpower capabilities of any one or two of the contractors, it was decided to award contracts to the three lowest responsive and responsible bidders for a cumulative amount not-to-exceed \$150,000.

RESOLUTION NO. 2002-CHA-147

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 30, 2002 entitled “Authorization to enter into three (3) separate contracts with All Chicago Inc., Bert C. Young & Sons Corporation and Omni Pump Repairs, Inc. for emergency pump repair services”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into three (3) separate contracts with All Chicago, Inc., Bert C. Young & Sons Corporation and Omni Pump Repairs, Inc. for emergency pump repair services at various CHA heating plant locations in a not-to-exceed amount of \$50,000.00 each, for a cumulative amount not-to-exceed \$150,000.00 for a twenty-four month term with one, one year option, subject to HUD approval.

(Item B11)

The Authority issued an Invitation For Bid (IFB) in July 2002, soliciting qualified firms to provide emergency boiler repair services at various CHA heating plants. Of the five bids received, they were all deemed responsible. Due to the possibility that multiple emergencies could arise at the same time and exceed the manpower capabilities of any one or two of the contractors, it was decided to award contracts to the three lowest responsive and responsible bidders for a cumulative amount not-to-exceed \$200,000.

RESOLUTION NO. 2002-CHA-148

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 30, 2002 entitled “Authorization to enter into three (3) separate contracts with All Chicago, Inc., Heatmasters Inc. and Bert C. Young & Sons Corporation for emergency boiler repair services.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into three (3) separate contracts with All Chicago, Inc., Heatmasters, Inc. and Bert C. Young & Sons Corporation for emergency boiler repair services in an amount of \$66,666.00 each, for a cumulative amount not-to-exceed \$200,000.00 for a twenty-four month term with one, one year option to extend, subject to HUD approval.

(Item B12)

The Authority issued an Invitation For Bid (IFB) in July 2002, soliciting qualified firms to provide emergency boiler repair services at various CHA development heating plants. Of the nine bids received, one was deemed non-responsive. Due to the possibility that multiple emergencies could arise at the same time and exceed the manpower capabilities of any one or two of the contractors, it was decided to award contracts to the three lowest responsive and responsible bidders for a cumulative amount not-to-exceed \$150,000.

RESOLUTION NO. 2002-CHA-149

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 30, 2002 entitled “Authorization to enter into three (3) separate contracts with All Chicago, Inc., B.H.U.R., Inc. and C & P Maintenance Co., Inc. for emergency HVAC Repair services.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into three (3) contracts with All Chicago, Inc., B.H.U.R, Inc. and C & P Maintenance Co., Inc. for emergency HVAC repair services in an amount of \$50,000.00 each for a cumulative amount not-to-exceed \$150,000.00 for a twenty-four month term with one, one year option to extend, subject to HUD approval.

(Item B13)

The resolution for Item B13 approves modification of the Comprehensive Grant Program Budget allocation from the Dearborn Homes Resident Management Corporation (RMC) to McCormack

Baron Management Services, Inc. for the continuation of building consolidation and renovation of units under the CHA’s “Make-Ready” program. The reallocation of these funds is necessary due to McCormack Baron succeeding Dearborn Homes RMC as the property manager at Dearborn Homes.

RESOLUTION NO. 2002-CHA-150

WHEREAS, the Board of Commissioners has reviewed the memorandum dated September 30, 2002 entitled, “Authorization to modify Comprehensive Grant Program Budget Allocation and Disbursement for building consolidation initiative”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the modification to Board Resolution No. 2001-CHA-106 in order to reallocate Comprehensive Grant Program (“CGP”) funds in a cumulative not-to-exceed amount of \$2,505,000 from the Dearborn Homes Resident Management Corporation to McCormack Baron Management Services, Inc. for the continuation of building consolidation and renovation of units under the CHA’s “make-ready” program and authorizes the CHA to proceed with the disbursement of the CGP funds to McCormack Baron Management Services, Inc. for the purpose of “make-ready” unit construction. The total amount of Comprehensive Grant Program funds to be allocated and disbursed to the Private Management Firm is as follows:

<u>Development</u>	<u>Private Management Firm</u>	<u>Preliminary Make-Ready Budget Estimate</u>
Dearborn	<u>McCormack Baron</u>	\$2,505,000

The Omnibus Motion to adopt resolutions for Items B1 through B13 was seconded by Commissioner Healey and the voting was as follows:

Ayes: Sharon Gist Gilliam
Hallie Amey
Mamie Bone
Leticia Peralta Davis
Earnest Gates
Dr. Mildred Harris
Lori Healey
Michael Ivers
Sandra Young

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The joint Operations and Finance Committee report was also accepted in total.

There being no further business come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

S/B: Sharon Gist Gilliam
Chairperson

S/B: Lee Gill, Custodian and
Keeper of Records